

EXHIBIT 2

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION

4 -----X

5 IN RE: NATIONAL PRESCRIPTION MDL No. 2804
6 OPIATE LITIGATION,

7 Case No. 17-MD-2804

8 This document relates to:

9 All Cases Hon. Dan A. Polster

10 -----X

11

12 * * HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER * *

13 * * CONFIDENTIALITY REVIEW * *

14 VIDEOTAPED DEPOSITION

15 OF

16 THOMAS P. NAPOLI

17 New York, New York

18 Thursday, January 17, 2019

19

20

21

22

23 Reported by:

24 ANNETTE ARLEQUIN, CCR, RPR, CRR, RSA

1 A. Yes.

2 Q. And then at the very bottom it
3 states, "Complete evaluation of current system V
4 DEA requirements and prepare executive summary
5 by 4/30, 2011. Develop action plan and present
6 to management by 6/1, and implement system with
7 automated business system test environment by
8 end of fourth quarter."

9 Do you remember who set that schedule
10 for the Phase II of the upgrade of Watson's
11 Suspicious Order Monitoring program?

12 A. It's likely myself, my manager.

13 Q. Again, who was your manager?

14 A. Scott Soltis.

15 Q. All right. So let's set this
16 document aside.

17 (Witness complies.)

18 (Napoli Exhibit 11, Customer Services
19 Agreement - Statement of Work No. 1,
20 Bates-stamped ALLERGAN_MDL_03535028 through
21 5030, marked for identification, as of this
22 date.)

23 BY MR. EGLER:

24 Q. I'll hand you what we will mark as

1 Exhibit 11.

2 (Handing.)

3 A. Thank you.

4 Q. Mr. Napoli, can you look at what I've
5 marked as Exhibit 11? While you're looking at
6 it, I'll read into the record it's
7 ALLERGAN_MDL_03535028 through 5030.

8 When you're ready, when you're ready,
9 can you tell me what this appears to you to be?

10 (Document review.)

11 A. Yes. It's a Statement of Work from
12 Buzzeo PDMA, also known as Cegedim. And it's to
13 conduct what we discussed in my, my goals and my
14 performance review to do an analysis of our SOM
15 program and discuss our approach, meet with IT
16 and compliance teams, discuss data, and the, the
17 current model and any improvements that can be
18 made.

19 Q. So with regard to this Statement of
20 Work No. 1, do you know who would have -- who
21 would have, at Watson, negotiated this statement
22 of work with Buzzeo?

23 A. Likely myself and Scott Soltis.

24 Q. All right. And what makes you think

1 that?

2 A. It was our, our project.

3 Q. And so speaking generally about the
4 Buzzeo entity, I think you had said today that
5 you had worked with them previously in the
6 course of your work at Watson; is that right?

7 A. Correct.

8 Q. And as you think of it, did you work
9 with consultants other than Buzzeo that provided
10 similar services while you were at Watson?

11 A. I mean primarily from a consulting
12 standpoint, we would utilize Buzzeo. I'm trying
13 to think if there are any other...

14 There may have been another firm, but
15 I'm just drawing a blank right now.

16 Q. Do you remember whether with regards
17 to the Phase II that you talked about in your
18 annual review for the Suspicious Order
19 Monitoring program at Watson, whether you
20 entertained bids or proposals from anyone other
21 than Buzzeo PDMA?

22 A. Perhaps ValueCentric, but I can't be
23 100 percent sure.

24 Q. So what do you know about

1 ValueCentric?

2 A. ValueCentric is another organization
3 that is in the business of providing data to the
4 pharmaceutical industry.

5 Q. Can you think of a particular person
6 that you recognize as a contact at ValueCentric?

7 A. No.

8 Q. Do you know whether you were -- when
9 you were at Watson or Actavis, your group ever
10 contracted with the ValueCentric entity?

11 A. My group did not.

12 Q. Do you know if anyone at Watson
13 contracted with the ValueCentric entity?

14 MR. KNAPP: Foundation.

15 A. I believe sales and marketing may
16 have utilized their services.

17 Q. Okay. Anybody else that you know of?

18 A. No, I don't.

19 Q. All right. So with regard to this
20 Statement of Work No. 1, it's marked as
21 Exhibit 11, who in particular, if anyone, at the
22 Buzzeo PDMA group did you negotiate with?

23 A. Now when you say "negotiate," can you
24 expand on that, on that term?

1 Q. Okay. So this document appears to me
2 to be signed by Mr. Soltis, I think, is it
3 July 28th, 2011?

4 A. Um-hmm.

5 (Document review.)

6 A. Yes.

7 Q. So before that time, as the agreement
8 was coming together, is there anyone in
9 particular at Buzzeo PDMA that you worked with
10 to get a mutual understanding of the scope of
11 the project and the cost?

12 A. Yeah. Likely it was an individual
13 named Paul Hamby, H-a-m-b-y, and Bob Williamson,
14 common spelling.

15 Q. And Mr. Hamby I think we mentioned
16 earlier today.

17 When did you first meet Mr. Hamby?

18 A. Likely in the mid-2000s at a Buzzeo
19 conference.

20 Q. How about Mr. Williamson?

21 A. Same. Mr. Caverly we talked about
22 earlier now. This is the first introduction to
23 Paul, I believe.

24 Q. All right. All right. You can set

1 this document aside for now.

2 (Witness complies.)

3 BY MR. EGLER:

4 Q. I'll hand you what we will mark as
5 Exhibit 12.

6 (Napoli Exhibit 12, Meeting Minutes
7 dated 9/8/11 ALLERGAN_MDL_02176488 through
8 6492, marked for identification, as of this
9 date.)

10 BY MR. EGLER:

11 Q. And Mr. Napoli, can you look at what
12 I've marked as Exhibit 12?

16 When you're ready, can you tell me if
17 you recognize this document?

18 A. I do recognize it.

19 O. What is it?

20 A. It looks like a meeting minutes from
21 an initial meeting that we had with Cegedim
22 regarding the SOMS assessment.

23 Q. So in the subject, on the first page,
24 page 88 states. "SOMS meeting system evaluation.

1 Cegedim Dendrite," and it states "Thursday,
2 September 8th, 2011."

3 Do you remember this particular
4 meeting?

5 A. I don't.

6 Q. Can you, can you tell from the
7 context of this where this meeting would have
8 been held?

9 A. Likely in our Parsippany office.

10 Q. Do you remember having a meeting like
11 this with people from Cegedim Dendrite in
12 September 2011?

13 A. Yes.

14 Q. And there's a person there under
15 attendees, Robert C. Williamson.

16 Is that Bob Williamson -- Bob
17 Williamson that you were talking about before?

18 A. Bob Williamson, yes.

19 Q. And there's -- the name underneath
20 there Jonathan Kuhn, Ph.D.

21 Do you know Mr. Kuhn or Dr. Kuhn?

22 A. Yes. He's a statistician who worked
23 for Cegedim.

24 Q. And then there are various people

1 listed beyond there; Scott Soltis, Mary Woods,
2 Larry Schaffer, Justin Park, Laura Pinti, Sandra
3 Simmons, Lisa Scott, Lynn DaCunha, Jaydeep
4 Shukla, Rick Robbins, and Napoleon Clarke.

5 Did all those people that I just read
6 their names, did all those people work at
7 Watson?

8 A. Yes.

9 Q. All right. I don't think we have
10 seen the name Jaydeep Shukla earlier today. Who
11 is -- is it Mr. or Ms. Shukla?

12 A. Jaydeep eventually joined our DEA
13 affairs team as an associate or a DEA compliance
14 specialist.

15 Q. All right. And then Rick Robbins,
16 who is Rick Robbins?

17 A. Rick Robbins and Napoleon were both
18 in sales and marketing.

19 Q. All right. So -- and the front seems
20 to be a discussion of what is going on at the
21 meeting.

22 And the third entry down there, it
23 say, "Agenda," and then in parentheses, "Tom."

24 A. Um-hmm.

1 Q. As you read this, do you know who
2 would have typed the text in there that appears
3 there?

4 A. No.

5 Q. Do you think it was you?

6 A. No.

7 Q. So it states, "Overview of
8 organization," and it says, "Anda not included
9 in the scope of this project."

10 What is Anda, as you understand it in
11 the context of Watson?

12 A. Anda is a pharmaceutical distributor
13 that, when we acquired Andrx, they were a part
14 of that organization. But they were treated as
15 a separate entity. They weren't part of our --
16 when it came to compliance or anything, they
17 were a separate entity.

18 Q. And then the next line down there, it
19 states, "Enable and sustain growth of our
20 business" and, dash, "\$498 million of C/S
21 products sold in 2010 with top 5 products,
22 hydrocodone, oxycodone, fentanyl and
23 methylphenidate."

24 A. Yes.

1 Q. And then in parentheses, "Concerta
2 P&G," close parentheses.

3 So there are, I think, four things
4 listed there.

5 But do you remember having a
6 discussion of Watson having \$498 million of CS
7 products sold in 2010 and the top four products
8 being hydrocodone, oxycodone, fentanyl and
9 methylphenidate?

10 A. It's entirely possible.

11 Q. All right. And then the next entry
12 is, "Enable and sustain growth of business," and
13 then dash "security and compliance."

14 Do you have an understanding of
15 whether you said something like this at the
16 meeting and what you meant by it?

17 A. What I would have meant by that is
18 to, you know, from a business perspective, to
19 support the business and -- but to make sure
20 that we do it in a secure and compliant manner.

21 Q. All right. And then the next
22 statement is, "Systemic upgrade" and then it
23 says, "Take labor and subjectivity out of the
24 department."

1 Do you remember whether you said
2 something like that at this meeting and what you
3 meant by it?

4 A. It's possible.

5 Q. What would you have meant by it?

6 A. It meant that although we had a
7 compliant system, it was very labor intensive,
8 and we were looking to make enhancements to the
9 program that would sharpen the tool for us.
10 Maybe have we have a statistician there where --
11 to look at algorithms that were currently
12 developing with the, the advance of technology
13 itself, or to take a look at is there a way that
14 we could do this more efficiently to take some
15 of the labor intensivity out of it and to have
16 it autocalibrate.

17 Q. So when you say "labor intensivity,"
18 as you think about the labor intensive part of
19 the Suspicious Order Monitoring System and
20 Watson around this time, mid to late 2011, what
21 was labor intensive about it?

22 A. We pended a lot of orders in the
23 system that need to be reviewed.

24 Q. And so as you think about it, what

1 was your proposed means of reducing the labor
2 intensiveness of the system?

3 A. Automation.

4 Q. Would the automation replace -- let
5 me start over.

6 As I think of the system, there are
7 three basic parts; the SAP system, and then the
8 initial order management team consideration, and
9 the potential DEA team consideration.

10 So as you think about taking the
11 labor intensive part out of it, if those are the
12 correct stages of the system, which part are you
13 thinking of?

14 A. Well, just to back up and clarify,
15 when I think of our SOM system, I don't think
16 just of SAP. I think of a holistic approach
17 that begins with the Know Your Customer
18 initiative and vetting.

19 And then we have the systemic
20 approach to it, which we're talking about, then
21 also the evaluation investigative aspect as
22 well, too, and the monitoring.

23 But in this aspect, we were talking
24 strictly about the automated aspect of the

1 system, where although we had a compliant
2 system, it -- we wanted to, again, sharpen the,
3 you know, the sensitivity. So by -- and I'm
4 just putting this out there. If we looked at
5 six parameters, we wanted to -- maybe Buzzeo had
6 a statistical algorithm of like 12. Maybe we
7 could reduce the number, because we had an awful
8 lot of false positives in our system, so we
9 wanted to be more accurate and take -- and by
10 less labor, it means less false positives, less
11 time spent on reviewing orders that we didn't
12 need to have to. Because that was one of the
13 issues. We reviewed a lot of orders because we
14 erred on the side of being conservative. We
15 rather look at too many orders than not look at
16 enough.

17 Q. So with regard to that issue and
18 trying to make the automated part of the
19 Suspicious Order Monitoring System more
20 accurate, is that a good word or --

21 A. No, because it was accurate, but we
22 just wanted to make it more efficient.

23 Q. More efficient.

24 Was there ever any consideration that

1 the system wasn't pulling up enough suspicious
2 orders?

3 MR. LUXTON: Objection to form.

4 A. The system wasn't pulling up
5 suspicious orders. The system was pulling up
6 orders of interest that were pending and it -- I
7 would not say it didn't pull up enough. I think
8 we pulled up a lot of orders that were, I would
9 say, false positives that we had to -- had to
10 work through.

11 Q. Was there ever any consideration that
12 the Suspicious Order Monitoring System at Watson
13 around this time in 2011 was not pulling up or
14 not pending orders that were suspicious or would
15 be suspicious if examined?

16 A. NO.

17 MR. KNAPP: Objection to form.

18 BY MR. EGLER:

19 Q. Was there ever any discussion of the,
20 for example, the Norco diversion issue and
21 whether the Suspicious Order Monitoring System
22 could be tuned to better examine issues raised
23 to the diversion of Norco?

24 MR. KNAPP: Form and foundation.

1 A. Not specifically. I mean, we already
2 looked at hydrocodone as a molecule, which would
3 include Norco.

4 Q. Was there any discussion of whether
5 to add more variables or data to examine the
6 known diversion issues with the hydrocodone
7 molecule?

8 A. Again, known diversion issues -- what
9 known diversion issues are you talking about?

10 Q. So we are talking about the Exhibit,
11 I think, 8 before, the email...

12 (Document review.)

13 BY MR. EGLER:

14 Q. What we marked as Exhibit 8, there is
15 a statement from Mr. Herrera that says, "The
16 agents were" -- "that were interested were from
17 the San Diego field office, and there was a
18 presentation by SD County prosecutor that keyed
19 on the diversion wave in SD, especially Watson
20 hydro and Norco really hard."

21 Do you remember, and this is
22 April 2010, do you remember in 2011 when
23 recalibrating the Suspicious Order Monitoring
24 System at Watson, whether there was ever any

1 discussion of finding data or variables that
2 would help to track diversion in, say, San Diego
3 County, California?

4 A. No. Our system designed for our SOMS
5 program was in accordance with the DEA
6 regulations for us to identify or that deviated
7 in size, pattern or frequency with, with our
8 trading partners, with our partners. That's
9 what it was geared towards.

10 Q. The DEA didn't instruct registrants
11 on the formulas or algorithms they were to use
12 in constructing their Suspicious Order
13 Monitoring systems; is that right?

14 A. That's correct.

15 Q. And was there any consideration at
16 Watson at this time after having been told by
17 the San Diego field office of the DEA that there
18 was a diversion wave in San Diego that there
19 should be some analysis of how to account for
20 that wave or analyze it or anything?

21 MR. KNAPP: Objection to form. Asked
22 and answered multiple times.

23 A. And I'll state that, you know, you're
24 basing this premise on someone's version of what

1 was, I don't know if it was completely shut down
2 or if there is was a temporary order. I'm not
3 sure.

4 Q. And I guess "shut down" isn't the
5 right way to say it.

6 They were unable to sell controlled
7 substances; is that right?

8 A. Correct.

9 Q. Okay. So the next bullet point down
10 states, "Expectation that we know our customers'
11 customers."

12 Do you see that there?

13 A. Um-hmm.

14 Q. Do you remember where that language
15 came from, "expectation that we know our," that
16 we, quote, "know our customers' customers,"
17 unquote?

18 A. I don't.

19 Q. It states, "Cross-functional team
20 established in 2010."

21 And I think we talked about that
22 before, right?

23 A. Right.

24 Q. And as you understand it, the

1 cross-functional team that's referred to there
2 is the group from customer service and the group
3 from the DEA affairs; is that right?

4 A. That's correct.

5 Q. Oh, and below, it says, "Security and
6 DEA affairs, IT and customer relations."

7 And the IT component is programming
8 the automated system into the SAP process; is
9 that right?

10 A. Right. Or from a project management
11 standpoint of implementing a new -- if we went
12 with a new algorithm into the system.

13 Q. And then "Establish goals, compliance
14 and efficiency."

15 And, again, do you remember there
16 being a discussion about compliance around this
17 time frame?

18 A. No, I do not.

19 Q. All right. And then the next one is,
20 "Budgeted for third-party evaluation in 2011."

21 A. Right.

22 Q. And then turning to the next page,
23 "Automated System Evaluation," it starts talking
24 about Cegedim-Dendrite; is that right?

1 A. Yes.

2 Q. And is that the evaluation that we
3 were talking about in the exhibit before we took
4 the break?

5 A. Correct.

6 Q. So the next page is "Findings."

7 Do you see that there?

8 (Document review.)

9 A. Yes.

10 Q. So it states -- as you see that word
11 "Findings," can you -- do you have an
12 understanding what that means in the context of
13 this document?

14 A. These would be observations that were
15 made by the consultant.

16 Q. And the consultant was Buzzeo?

17 A. Yes.

18 Q. And it says, "Use of multiplier to
19 create monthly threshold."

20 And it says, "Not consistent with
21 specific requirements noted within regulations
22 and guidance, and current system will detect a
23 certain percentage of suspicious orders but not
24 all."

1 Do you see that there?

2 A. I do.

3 Q. Do you remember that being a finding
4 that the Buzzeo group made about the Watson
5 system in early 2012?

6 A. I don't have a specific recollection.

7 Q. Do you remember -- and, you know, I
8 put a date limitation on that.

9 Is your lack of specific recollection
10 based on the date or something else?

11 A. It's just... it's been a while.

12 Q. And then it states, "Current model
13 evaluates at SKU level."

14 Is that pronounced typically "skew"?

15 A. Yes.

16 Q. All right. What is a SKU?

17 A. A SKU is just one, one product. So
18 it can be oxycodone 10325, 100 fill count, SKU.

19 Q. Do you recognize the difference
20 between a SKU and an NDC code?

21 A. The SKU could be -- yeah, there,
22 there is a difference between the two. I don't
23 know the exact -- SKU is more of a -- we're kind
24 of exceeding my, probably my area of expertise,

1 but they're both unique identifiers.

2 I think what this is saying here is
3 that by looking at it at the SKU level, we're
4 not looking at the total molecule. And that was
5 an enhancement. So that's something where we
6 could have enhanced.

7 Q. All right. So it states, "Current
8 model evaluates at SKU level. Possibility of
9 distributing orders across multiple SKUs without
10 detection."

11 So that's where you're talking about
12 it can be the same, as you refer to it, molecule
13 but with different SKUs?

14 A. Right.

15 Q. And then the next one is, "System
16 does not evaluate listed chemicals"?

17 A. Right.

18 Q. I think we talked about that earlier
19 as well?

20 A. Right.

21 Q. Those are the precursor chemicals
22 that you talked about?

23 A. Right.

24 Q. And then on the next page, 990, it

1 states, "Revisit approach to SOM to fully
2 address specific regulatory requirements."

3 And then it states, "Develop SOM that
4 is a 'non-threshold-based adaptive' -- I'm
5 sorry, let me read it.

6 "Develop SOM that is a,
7 'non-threshold-based adaptive,' system trained
8 to identify suspicious orders by utilizing a set
9 of historic markers to include," and then
10 another bullet point, "statistical scoring of
11 active ingredient order volume versus history,
12 active ingredient order versus short and
13 long-term trend, identification of high/low
14 frequency ordering behavior."

15 And then the next bullet point is
16 "Base system on milligram strength rather than
17 SKU."

18 A. Um-hmm.

19 Q. And then, "Include list of chemical
20 within system."

21 And then, "Based on recommendations,
22 GS and DEAA requested a proposal and quote."

23 In the context of this document, do
24 you know what GS and DEAA would be?

1 A. Global security and DEA affairs.

2 Q. And your group was DEA affairs; is
3 that right?

4 A. Yes.

5 Q. And then the next dash is "Establish
6 meeting with IT and consultant."

7 A. Um-hmm.

8 Q. "Understand scope, confirm that
9 solution was appropriate and achievable." And
10 then the next one is "Budgeted for 2012
11 implementation."

12 Do you see that there?

13 A. Yes.

14 Q. Do you remember the -- do you
15 remember whether there was a decision around
16 this time, April 2012, to implement the Buzzeo
17 system at Watson?

18 A. Yes, I believe there was.

19 Q. All right. Do you remember who made
20 that decision?

21 A. It would have been my management.

22 Q. Did you support the conclusion to
23 implement the Buzzeo system?

24 A. I definitely supported enhancing our

1 system. You know, the automated system that
2 we're talking about is -- we are talking about
3 just one component within the system, that's
4 what I want to make clear. So we're not relying
5 on one component of a system as our Suspicious
6 Order Monitoring program.

7 Q. And as you had been talking about
8 earlier, in addition to this process, there is
9 the onboarding process and reviews; is that
10 right?

11 A. The Know Your Customer due diligence.

12 Q. And Know Your Customer due diligence.

13 And then beyond the automated system,
14 there is a process of customer service clearing
15 and then, if necessary, DEA affairs clearing of
16 orders; is that right?

17 A. Yes, sir.

18 Q. And if none of those processes work,
19 the order will be reported to the DEA as
20 suspicious; is that right?

21 A. Correct.

22 Q. All right.

23 All right. You can set this aside.

24 A. Okay.

1 (Witness complies.)
2 (Napoli Exhibit 16, Watson document
3 entitled SOMS Project Evolution IT
4 Governance Meeting, Bates-stamped
5 ALLERGAN_MDL_02187196 through 87199, marked
6 for identification, as of this date.)

7 BY MR. EGLER:

8 Q. Mr. Napoli, I'm handing you what I
9 marked as Exhibit 16.

10 Mr. Napoli, can you look at that
11 exhibit? And while you're looking through it,
12 I'll read it into the record. It's
13 ALLERGAN_MDL_02187196 through 87199.

14 And I'll tell you for the record,
15 there -- as I read it, there are two emails in
16 this exhibit, plus an attachment. And the last
17 email in time, the first one on the page, the
18 first page of Exhibit 16, you're not included in
19 that email.

20 A. Okay.

21 Q. So you can read it, but I'm not going
22 to ask you questions about it.

23 A. Okay.

24 Q. The one below, Tuesday, October 4th,

1 then Actavis, each year about how many new
2 customers, on average, do you think came in to
3 the company?

4 A. Zero.

5 Q. All right. And did they have any new
6 customers at any point?

7 A. There may have been one or two. We
8 had a long-standing customer base and we -- it
9 was a very rare occasion if we took on a new
10 customer for controlled substances.

11 Q. When you talk about the onboarding
12 process for the time that you were the head of
13 DEA affairs at Watson from 2009 through whenever
14 you left, about how many times was there an
15 onboarding process?

16 A. I don't have a direct recollection.

17 Q. Fewer than a dozen?

18 A. Yes.

19 Q. Fewer than five?

20 A. I don't know.

21 Q. All right. And then with regard to
22 the Know Your Customer processes that you talked
23 about on this panel, do you remember what you
24 presented on?

1 A. Presented on our process for reaching
2 out, establishing strong relationships with our
3 partners, identifying compliance colleagues at
4 the other organizations, understanding who their
5 customers are and how their business relates to
6 our product, an overview of what their security
7 programs and compliance programs are, ensuring
8 that they were compliant with -- their -- with
9 the CFR, as well as ensuring that we also had a
10 compliance agreement that we would ask our
11 customers to acknowledge as well too. So.

12 Q. And around this same time, October of
13 2012, Watson had planned on implementing the
14 Buzzeo automation part of the Suspicious Order
15 Monitoring System; is that right?

16 A. Correct.

17 Q. And also around the same time, late
18 2012, is this when Watson and Actavis announced
19 their combination?

20 A. Yes.

21 Q. So do you remember whether Watson
22 implemented the Buzzeo process that it had
23 planned on implementing?

24 A. They did not.

1 Q. Do you remember what it did instead?

2 A. We continued with our -- our current
3 system. The reason why we didn't implement it,
4 with the acquisition of Actavis, there was a
5 freeze-out period within SAP because of this --
6 without getting too into detail, the process of
7 lifting an entire company and moving all their
8 products into the business system, there was a
9 quite extensive freeze-out period where you
10 couldn't make any changes to the business
11 system. So that would have held us back from
12 implementing our system.

13 Q. And that freeze out and
14 implementation took place in the years 2012 and
15 2013; is that right?

16 A. We had at Watson/Actavis there was a
17 period where there was a series of, what I would
18 call, multiple M&A activities in successive
19 years.

20 Q. Okay. Let let's leave it at that for
21 now.

22 A. Okay.

23 Q. All right. Let's move on. You can
24 set that document aside and we'll move on to 19.

1 (Napoli Exhibit 19, Email chain
2 beginning with email dated 9/27/12 from
3 Napoli to Lepore and others, Bates-stamped
4 ALLERGAN_MDL_04173111 through 113, marked
5 for identification, as of this date.)

6 BY MR. EGLER:

7 Q. Received what's marked as Exhibit 19,
8 can you look through it. As you're looking
9 through it generally, I'll read on the record,
10 it's ALLERGAN_MDL_04173111 through 113.

11 And as you look at this document, can
12 you tell me what it appears to you to be?

13 (Document review.)

14 A. This appears to be an email that is
15 in regards to our Suspicious Order Monitoring
16 folks, the customer service side, pending an
17 order for further review for an increase, and us
18 asking for additional information and
19 subsequently releasing the order.

20 Q. On the second page of Exhibit 19, the
21 first email in time, Victoria Lepore writes to a
22 person named Jared Green and Robert Gettus about
23 an order that's being held; is that right?

24 A. Um-hmm.

1 order management system within SAP. Due to
2 successive acquisition activities since product
3 initiation the implementation has been placed on
4 hold at several junctures based on business
5 integration needs. During the past several
6 years, DEA has become more aggressive in its
7 approach related to SOM/Know Your Customer
8 taking against" -- "taking action against a
9 growing number of companies for having
10 non-compliant SOM programs. In an effort to
11 ensure compliance with the regulations, both the
12 C/S compliance, order management teams, have
13 collaborated making efforts to enhance
14 compliance from customer vetting, order
15 review/evaluation through
16 investigation/disposition.

17 "This manual effort is very labor
18 intensive, as the current system was not
19 configured with any analytical tools to support
20 timely and accurate decision making. This
21 approach also introduces the element of human
22 interaction into the order evaluation process.

23 "Additionally, the current process
24 can have an impact on the amount of time

1 required to release a pended order that is under
2 review, affecting customer service/fill rate
3 levels."

4 Do you see that there?

5 A. I do.

6 Q. Did you write that?

7 A. Yes, I did.

8 Q. At the time that you wrote it, did
9 you believe what you wrote there?

10 MR. LUXTON: Objection to form.

11 A. Yup, I do believe that those facts
12 are accurate. We did have -- we did have a
13 compliance system, but we wanted to enhance our
14 compliance to ensure that we were always
15 continually evolving it on the high ground.

16 Q. So above there you write, under
17 background, "The SOM" -- "The SOM automation
18 project initially commenced in 2011 with the
19 primary goal of replacing our, quote, threshold,
20 unquote, based system with the CFR compliant
21 model developed by Cegedim. This project was
22 initiated in an effort to ensure compliance with
23 the Code of Federal Regulations, SOM
24 requirements, controlled substances, 21 CFR

1 1301.74 b, as well as December 2007, DEA
2 memory."

3 Do you see that?

4 A. I did.

5 Q. When you wrote that in February 2015,
6 did you believe that to be true?

7 A. I did believe that Buzzeo had a
8 system that they were proposing that was
9 compliant with the CFR

10 We also had one as well, but we
11 wanted to move up to a more enhanced
12 sophisticated system.

13 Q. So other parts of the -- this memo
14 talk about a suspicious order monitor --
15 suspicious order monitor statistical model that
16 will be hosted, quote, in the cloud and based on
17 Actavis's order data.

18 A. Yes.

19 Q. Do you remember whether this
20 cloud-based SOM statistical model was ever
21 adopted at Actavis?

22 A. This system was created. We used it
23 in a test environment. We're happy with it. We
24 were subsequently acquired by Teva and it was

1 put on hold and I don't believe that Teva chose
2 to utilize it.

3 Q. All right. So with regard to the --
4 this is -- so with regard to your
5 understanding -- well, with regard to your
6 understanding, Actavis never implemented the
7 cloud-based system that's discussed in this
8 memo; is that right?

9 A. That's correct. When Teva acquired
10 Actavis around this time frame they already had
11 their own program in place for Suspicious Order
12 Monitoring.

13 Q. So this goes to the number of
14 corporate transactions that took place --

15 A. Right, right.

16 Q. You're describing the company as
17 being bought by Teva. Part of what was Actavis,
18 was purchased and closed on by Allergan.

19 Do you have an understanding of that
20 as well or some type of transaction occurred
21 between Allergan and Actavis; is that right?

22 A. Right.

23 Q. Either Actavis bought Allergan or
24 Allergan bought Actavis?

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C E R T I F I C A T E

2

3 STATE OF NEW YORK)

4 : ss.

5 COUNTY OF WESTCHESTER)

6

7 I, ANNETTE ARLEQUIN, a Notary Public

8 within and for the State of New York, do

9 hereby certify:

10 That THOMAS P. NAPOLI, whose deposition
11 is hereinbefore set forth, was duly sworn
12 by me, and that the transcript of such
13 depositions is a true record of the
14 testimony given by such witness.

15 I further certify that I am not related
16 to any of the parties to this action by
17 blood or marriage; and that I am in no way
18 interested in the outcome of this matter.

19 IN WITNESS WHEREOF, I have hereunto set
20 my hand this 17th day of January 2019.

21

22

23 _____
ANNETTE ARLEQUIN, CCR, RPR, CRR, CLR

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